

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Vizag - Chennai Industrial Corridor Development Programme(VCIC-DP) –Overall Investment of USD 1,000 million under the Vizag Chennai Industrial Corridor – Orders – Issued .

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INDUSTRIES AND COMMERCE(IP & INF) DEPARTMENT

G.O.MS.No. 38

Dated:16-05-2015

**READ:-**

1. From the Senior Urban Development Specialist, SAUW South Asia Regional Department, Asian Development Bank, Manila, New Delhi Dt. 19-03-2015 DOEA, Ministry of Finance, GOI.
2. From the GOI, Lr. No.7/6/2013-ADB-1, Dt:07.04.2015.
3. From the GOI, Min of Commerce & Industry, Dept of IP & P, (ICS) Lr.No.12/15/2014-ID-1(IC) dt.24-4-2015.
4. From the Prl. Secy. to Govt., Finance Dept., GoAP, D. O. Lr. No.2459/PFS/2015, Dt:01.05.2015 addressed to the DOEA, MOF,GOI.

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**ORDER**

The Vizag Chennai Industrial Corridor (VCIC) is a key part of the planned East Coast Economic Corridor and India's first coastal corridor. VCIC aims to significantly increase the level of economic activity in the State of Andhra Pradesh in the short term. Through the Conceptual Development Plan (CDP) the Asian Development Bank has identified several infrastructure projects. The identified projects include debottlenecking and capacity augmentation of existing assets and some Greenfield infrastructure projects anticipating future economic growth in the State. Of the identified ones, selected high impact projects have been planned to be developed with financial assistance from Asian Development Bank (ADB).

2. The Senior Urban Development Specialist, SAUW South Asia Regional Department, Asian Development Bank, Manila, New Delhi , in their letter 1<sup>st</sup> read above, furnished the Aide Memoire of ADB Mission regarding development of Vizag-Chennai Industrial Corridor (VCIC). They have requested to examine the Aide Memoire furnished by the ADB Mission on the Andhra Pradesh Industrial Corridor Development Program (APICDP) and the ongoing Technical Assistance for Preparing Regional Perspective Plan (RPP) for the Visakhapatnam-Chennai Industrial Corridor (VCIC) and furnish their comments/report including action taken as on date, to this Department by 24.03.2015.

3. The ADB has sent another mission between 11-18 March-2015. The proposal for a Multi-tranche Financing Facility (MFF) loan and likely policy reforms were discussed in detail. Based on discussions with ADB, this Industries & Commerce Dept. has requested to propose a programme loan of USD 200 million and an investment project of USD 800 million (ADB loan of USD 700 million as a MFF facility and GoAP share of USD 100 million).

4. Government of India , DIPP, Ministry of Commerce and Industry has conveyed that they have supported the proposal of Government of AP for Multi Tranche Financing Facility (MFF) based Invest loan and program based loan of USD 900 million.

5. Government after careful examination of the entire matter, hereby accord acceptance for the following:

- (i) The proposal for the overall investment of USD 1,000 million under the Vizag Chennai Industrial Corridor Development Programme of which USD 200 million is for the policy component and USD 800 million is for the project investment component and of which the Govt of A.P. share will be USD 100 million.
- (ii) To permit the Finance Department to submit proposal to Department of Economic Affairs (DEA), Government of India (GoI) seeking clearance for ADB's MFF loan of USD 900 million under provisions of Fiscal Responsibility and Budget Management (FRBM) Act, 2003.
- (iii) Further, the Finance Dept to simultaneously persuade Government of India for special category status to GoAP, so that a large percentage of the ADB MFF loan of USD 900 million gets converted into grant.

6. The Director of Industries, GOAP / VC & MD, APIIC/Finance Dept, shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.S.RAWAT  
SECRETARY TO GOVERNMENT & CIP

To  
The Director of Industries, GoAP, Hyderabad.  
The VC & MD, APIIC, Hyderabad.  
The Finance (PMU) Department.  
Copy to  
The Finance (EBS.VIII/BUDGET) Department.  
The Law Dept.  
All the HODs under the administrative control of Ind.& Com. Dept.  
P.S. to Chief Secretary  
P.S. to Prl. Secy. to C.M.  
P.S. to Secretary to Govt. I&C Dept.  
Sf/Scs

//FORWARDED BY ORDER//

SECTION OFFICER